LIVESTOCK GROSS MARGIN (LGM) LIABILITY/PREMIUM CALCULATIONS

Edit Description

Livestock Gross Margin (LGM) (Insurance Plan Code 82)

EXPECTED GROSS MARGIN

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EXPECTED GROSS MARGIN = (TARGET MARKET 1 * EXP GROSS MARGIN 1) +
     (internal)
                                (field 18)
                                                        (field 24)
      (TARGET MARKET 2 * EXP GROSS MARGIN 2) + (TARGET MARKET 3 *
          (field 19)
                                (field 25)
      EXP_GROSS_MARGIN_3) + (TARGET_MARKET_4 * EXP_GROSS_MARGIN_4) +
            (field 26)
                                  (field 21)
                                                        (field 27)
      (TARGET MARKET 5 * EXP GROSS MARGIN 5) + (TARGET MARKET 6 *
             (field 22)
                                 (field 28)
                                                      (field 23)
      EXP GROSS MARGIN 6)
             (field 29)
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GROSS MARGIN GUARANTEE (LIABILITY)

GROSS_MARGIN_GUAR = EXPECTED GROSS MARGIN * COVERAGE_LEVEL (field 31) (internal) (field 30)

SIMULATED LOSSES

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SIMULATED GROSS MARGINS(i) = (FIRST MONTH GROSS MARGIN DRAW(i) * (internal)
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TARGET_MARKET_1) + (SECOND MONTH GROSS MARGIN DRAW(i) * (field 18)

TARGET_MARKET_2) + (THIRD MONTH GROSS MARGIN DRAW(i) * (field 19)

TARGET_MARKET_3) + (FOURTH MONTH GROSS MARGIN DRAW(i) * (field 20)

TARGET_MARKET_4) + (FIFTH MONTH GROSS MARGIN DRAW(i) * (field 21)

TARGET_MARKET_5) + (SIXTH MONTH GROSS MARGIN DRAW(i) * (field 22)

TARGET_MARKET_6) (field 23)

Note: (i) = 1,2,...,25000

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SIMULATED_LOSSES = \sum (MAX (GROSS_MARGIN_GUAR - SIMULATED GROSS MARGINS(i), 0)) (field 32) (field 31)

Note: only use simulated gross margins greater than zero in calculation

TOTAL PREMIUM

TOTAL_PREMIUM = 1.03 * (1/25,000) * SIMULATED LOSSES (field 33) (field 32)

PRODUCER PREMIUM

PRODUCER_PREMIUM = TOTAL_PREMIUM (field 39) (field 33)

Note: Subsidy not applicable for LGM.

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Tag	No.	Picture	Rounding	Description
<target_market_1></target_market_1>	18	9(05)	whole number	Number of swine the insured expects to market in the first month of the insurance period (Feb. or Aug.).
<exp_gross_ MARGIN_1></exp_gross_ 	24	9999.9999	per ADM	Expected Gross Margin per swine for First Month from ADM L Suffix P.
<target_market_2></target_market_2>	19	9(05)	whole number	Number of swine the insured expects to market in the second month of the insurance period (Mar. or Sept.).
<exp_gross_ MARGIN_2></exp_gross_ 	25	9999.9999	per ADM	Expected Gross Margin per swine for Second Month from ADM L Suffix P.
<target_market_3></target_market_3>	20	9(05)	whole number	Number of swine the insured expects to market in the third month of the insurance period (Apr. or Oct.).
<exp_gross_ MARGIN_3></exp_gross_ 	26	9999.9999	per ADM	Expected Gross Margin per swine for Third Month from ADM L Suffix P.
<target_market_4></target_market_4>	21	9(05)	whole number	Number of swine the insured expects to market in the fourth month of the insurance period (May or Nov.).
<exp_gross_ MARGIN_4></exp_gross_ 	27	9999.9999	per ADM	Expected Gross Margin per swine for Fourth Month from ADM L Suffix P.
<target_market_5></target_market_5>	22	9(05)	whole number	Number of swine the insured expects to market in the fifth month of the insurance period (June or Dec.).
<exp_gross_ MARGIN_5></exp_gross_ 	28	9999.9999	per ADM	Expected Gross Margin per swine for Fifth Month from ADM L Suffix P.
<target_market_6></target_market_6>	23	9(05)	whole number	Number of swine the insured expects to market in the sixth month of the insurance period. (July or Jan.)
<exp_gross_ MARGIN_6></exp_gross_ 	29	9999.9999	per ADM	Expected Gross Margin per swine for Sixth Month from ADM L Suffix P.
<expected gross<br="">MARGIN></expected>	internal	9(10).99	dollars and cents	Sum of (Target Marketings by month times Expected Gross Margins by month).
<coverage_level></coverage_level>	30	9.999999	NA	Valid coverage Levels are 0.800000, 0.850000, 0.900000, 0.950000, 1.000000.

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<gross_margin_ GUAR> (Liability)</gross_margin_ 	31	9(10)	whole number	Expected Gross Margin times Coverage Level.
FIRST MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	First Month Gross Margin Draw from ADM L Suffic C.
SECOND MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Second Month Gross Margin Draw from ADM L Suffic C.
THIRD MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Third Month Gross Margin Draw from ADM L Suffic C.
FOURTH MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Fourth Month Gross Margin Draw from ADM L Suffic C.
FIFTH MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Fifth Month Gross Margin Draw from ADM L Suffic C.
SIXTH MONTH GROSS MARGIN DRAW(i)	Internal	999.999	per ADM	Sixth Month Gross Margin Draw from ADM L Suffic C.
SIMULATED GROSS MARGINS(i)	Internal	9(10).99	dollars and cents	Six month Simulated Gross Margins(i) is the sum of (Gross Margin Draws(i) times Target Marketings by month).
<simulated_ LOSSES></simulated_ 	32	9(10).99	dollars and cents	Sum of (MAX (Gross Margin Guarantee minus Simmulated Gross Margins(i)), 0).
<total_premium></total_premium>	33	9(10)	nearest whole dollar	The result of 1.03 times (1/25,000) times Simmulated Losses.
<producer_premium></producer_premium>	39	9(10)	nearest whole dollar	Producer Premium equals Total Premium.

Note: (i) = 1,2,...,25000